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SENIOR INTERDEPARTMENTAL GROUP - INTERNATIONAL ECONOMIC POLICY

August 3, 1983
4:00 p.m.
Indian Treaty Room

Attendees:

Treasury
Secretary Regan
Beryl W. Sprinkel
Marc E. Leland

Office of the Vice President
Adm. Daniel J. Murphy
G. Philip Hughes

State
Richard T. McCormack
Paul D. Wolfowitz

Interior
Secretary Watt

Agriculture
Secretary Block

Commerce
Secretary Baldrige
Lionel H. Olmer

OMB
David A. Stockman
Alton Keel

CIA
Henry Rowen
[redacted] 25X1

USTR
Ambassador William E. Brock
Dennis Whitfield

NSC
Norman Bailey, Executive Secretary
William Martin

CEA
Martin S. Feldstein
Paul Krugman

OPD
Roger Porter

GSA
Carroll Jones

FEMA
Louis O. Giuffrida

Agricultural Export Subsidies

The SIG had requested the Trade Policy Committee to prepare a paper setting forth a policy on the use of subsidies for U.S. agricultural exports. A draft policy statement was prepared and submitted to the SIG-IEP for review and approval.

The paper identified a number of elements in the overall strategy: to continue bilateral discussions with the EC and to press for multilateral consultations in the GATT; to continue efforts to modify domestic agricultural programs in a manner consistent with foreign trade goals; to use export subsidies to discourage subsidized competition in third country markets; and to consider counter-measures to discourage foreign subsidized competition in U.S. markets. Major interventions would be decided upon at a high level.

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Most participating members supported the study but OMB noted that budgetary implications were missing. Those in favor noted that these were the best guidelines that could be formulated and it would give us added leverage in our future negotiations. The Chairman noted that, with regard to blended credits, we should not authorize more than needed or required by law and that any amount in excess of $185 million would have to be approved by the SIG-IEP. OMB still felt the paper was too open-ended and the group decided to discuss the issue at a meeting in September.

MOU on Tin Disposals

A working group had slightly modified the MOU since the SIG's last discussion. The revised text was being put before the SIG for final approval. The SIG-IEP agreed to accept the MOU on tin disposals with the condition that the covering aide memoire be made part of the official document.

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